

October 24, 1996

Steven R. Bisker, Esquire
616 South Washington Street
Alexandria, VA 22314

Re: Tape Storage Agreement (Your September 17, 1996, Letter)

Dear Mr. Bisker:

You have asked for a legal opinion on the permissibility of two federal credit unions (FCUs) providing storage sites for each others computer back up disks and tapes. As explained below, we have no legal objection to the proposed contractual relationship.

Part 749 of NCUA's Rules and Regulations requires FCUs to preserve specified vital records. Pursuant to the incidental powers clause of the Federal Credit Union Act, 12 U.S.C. §1757(17), two FCUs may enter into a contractual relationship to facilitate compliance with Part 749.

I hope that we have been of assistance.

Sincerely,

Michael J. McKenna
Acting Associate General Counsel

GC/MFR:bhs
SSIC 3800
96-0932